

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

)	Chapter 11
In re)	
)	Case No. 01-01139 (JKF)
W.R. GRACE & CO., <i>et al.</i> ,)	Jointly Administered
)	
Debtors.)	Hearing Date: Sept. 29, 2009, 10:30 a.m. EDT
)	Objection Deadline: Sept. 11, 2009, 5:00 p.m. EDT

**FIREMAN'S FUND INSURANCE COMPANY'S MOTION
FOR RELIEF FROM THE AUTOMATIC STAY TO ALLOW COMPLETION OF
DEBTORS' STATE COURT APPEAL FROM THE EDWARDS JUDGMENT AND
RELATED RELIEF**

Fireman's Fund Insurance Company ("Fireman's Fund") hereby moves, pursuant to 11 U.S.C. § 362(d)(1), for relief from the automatic stay to permit the Texas Court of Appeals to reinstate the pending appeal in W.R. Grace & Co. v. Clifton Aaron Edwards, et al., No. 06-00-00112-CV (Tex. App. - 6th Dist.), and to permit Debtors and the parties thereto to complete the proceedings in that appeal and obtain a ruling from the Texas Court of Appeals and, if further review is sought by any party, the Texas Supreme Court. Fireman's Fund also seeks relief from the stay permit it to: set a reserve to cover any liability, claim asserted, suit, or judgment under the supersedeas bond issued on Grace's behalf in connection with the Edwards appeal; demand that Grace place Fireman's Fund "in funds" to the full extent of such reserve; file a lawsuit against Grace in an court of appropriate jurisdiction if Grace should fail to post collateral sufficient to cover such reserve; confess judgment against Grace in any such lawsuit; and execute against Grace's assets to satisfy any such judgment against Grace and in favor of Fireman's Fund.

The grounds supporting this motion are set forth in the accompanying brief,

which is incorporated here in full by this reference.

WHEREFORE, Fireman's Fund respectfully requests that the Court enter an order providing the following relief:

1. Lifting the automatic stay to allow the appeal in W.R. Grace & Co. v. Clifton Aaron Edwards, et al., No. 06-00-00112-CV (Tex. App. - 6th Dist.), to be reinstated and litigated to completion, including any review by the Texas Supreme Court;
2. Lifting the automatic stay to permit Fireman's Fund to: set a reserve to cover any liability, claim asserted, suit, or judgment under the supersedeas bond issued on Grace's behalf in connection with the Edwards appeal; demand that Grace place Fireman's Fund "in funds" to the full extent of such reserve; file a lawsuit against Grace in any court of appropriate jurisdiction if Grace should fail to post collateral sufficient to cover such reserve; confess judgment against Grace in any such lawsuit; and execute against Grace's assets to satisfy any such judgment against Grace and in favor of Fireman's Fund; and
3. Granting such other and further relief that the Court may find appropriate.

A proposed form of order is submitted herewith.

Dated: August 25, 2009

Respectfully submitted,

/s/ John D. Demmy

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